

technology.”¹⁸² Once competition has been achieved, “the very premise of [] below-cost rate ceilings will be undermined, as [ILECs’] supracompetitive profits will be eroded by Act-induced competition.”¹⁸³ Thus, continuing price regulation of UNEs pursuant to Section 252(d)(1) of the Act in a competitive market disserves the public interest. Chairman Martin has acknowledged that below-market TELRIC rates create a disincentive to ILECs to invest in facilities. “The TELRIC pricing formula provides incumbent service providers with an insufficient return on new investment capital for new infrastructure.”¹⁸⁴

In Anchorage, the Section 251(c)(3) unbundling requirements and Section 252(d)(1) TELRIC-based UNE prices have retarded facilities investment. GCI’s incentive to transition to its own network will be inhibited as long as it continues to profit from using ACS’s network.¹⁸⁵ Moreover, ACS has a disincentive to invest in loop facilities when it has to sell its network below cost to a competitor that serves more customers than ACS does. Forbearance from unbundling requirements and TELRIC pricing standards will encourage investment in new facilities by both competitors. Market forces will promote more efficient incentives to invest in

¹⁸² *Triennial Review Order* at ¶ 3.

¹⁸³ *USTA II*, 359 F.3d at 573 (reminding the Commission that “[i]n competitive markets, an ILEC can’t be used as a piñata”).

¹⁸⁴ *Verizon Telephone Companies Tariff FCC Nos. 1 & 11, Transmittal No. 232*, Order, 18 FCC Rcd 1958, Statement of Commissioner Martin (2003) (*dissenting in part*).

¹⁸⁵ See Blessing Statement at 15-16.

facilities, thereby benefiting consumers with new and better services.¹⁸⁶ Further, rates will be driven by true competitive forces, not by regulatory assumptions or predictions.¹⁸⁷

In Anchorage, new retail and wholesale services can be expected as GCI continues migrating to its own facilities. GCI launched its cable telephony technology in April of 2004, just two months before the RCA increased the loop rate that ACS could charge GCI.¹⁸⁸ GCI testified in the Anchorage UNE arbitration hearing that if the RCA allowed the UNE loop rate to increase, GCI would increase the pace of its facilities deployment.¹⁸⁹

GCI's past behavior is a strong predictor of its likely future behavior. When UNE rates previously were increased, the competitive carrier accelerated deployment of its own facilities in Anchorage.¹⁹⁰ In contrast, in Juneau and Fairbanks, where ACS's sister companies voluntarily entered into an agreement with GCI whereby the ACS affiliates will provide GCI access to UNEs and UNE-P, GCI is deploying its own facilities much more slowly than in

¹⁸⁶ *In the Matter of Petition for Forbearance of the Independent Telephone & Telecommunications Alliance*, Sixth Memorandum and Report, 14 FCC Rcd 10840, at ¶ 11 (1999) ("By definition, a new service expands the range of service options available to consumers. . . . Because new services may benefit some customers, and existing customers may continue to purchase existing services if they find the new service rate structure or rate level unattractive . . ." the second prong of the forbearance request was met).

¹⁸⁷ *In the Matter of Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by ILECs*, Notice of Proposed Rulemaking, 18 FCC Rcd 18945, at ¶¶ 4, 6, 7 (2003) (describing the very theoretical nature of TELRIC pricing and the danger of incorrectly setting rates).

¹⁸⁸ See GCI Form 10-K(Dec. 31, 2004), at 78.

¹⁸⁹ *Tindall Prefiled Rebuttal Testimony* at 3. "Raising UNE rates dramatically would compel GCI to speed up the investment and deployment of its cable telephony network."

¹⁹⁰ When the rate GCI was mandated to pay ACS for UNE loops increased by 25%, GCI increased the percentage of its lines served by its own facilities by over 50%. "This result indicates that should ACS be allowed to charge GCI a market-based rate that is higher than the current mandated rate for UNE loops, it will not slow down GCI's deployment of its own facilities." Blessing Statement at 16.

Anchorage.¹⁹¹ This strongly suggests that availability of UNEs slows GCI's deployment of its own facilities and that forbearance will stimulate investment in alternative facilities. Without mandatory unbundling at regulated rates, competitive market forces will promote more efficient incentives to invest in facilities in Anchorage.

2. Forbearance From Section 251(c)(3) Will Give the Parties Incentive to Negotiate New Wholesale Arrangements

Although ACS requests forbearance from mandatory unbundling in the Anchorage study area, ACS intends to provide access to UNEs voluntarily at negotiated market-based rates.¹⁹² The Commission has considered such voluntary commitments to facilitate new entry as relevant and important factors in conducting a public interest analysis.¹⁹³ It is in ACS's financial self-interest to negotiate market-based terms for UNEs in Anchorage. GCI increasingly is providing telecommunications service over its own cable facilities. Because ACS desires access to GCI's facilities in areas where ACS's network does not reach, ACS has substantial incentives to negotiate reasonable rates and terms for GCI's use of ACS's facilities in order to obtain similarly reasonable access to GCI's facilities. GCI provides service to more customers in Anchorage as ACS, and GCI has built out facilities to certain residential areas and business customers where ACS has no facilities and no right of access. Because GCI has no obligation under Section 251 of the Act to allow ACS access to its traditional telecommunications facilities or cable plant, the only way for the bargaining power of the two competitors to be equalized in

¹⁹¹ See Meade Statement at ¶ 16; see also, *Order Approving Interconnection Agreements and Closing Dockets*, RCA Docket Nos. U-03-63(5), U-03-64(5) (Aug. 16, 2004).

¹⁹² See ACS Remand Comments at 2.

¹⁹³ See, e.g., *Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services In Michigan*, Memorandum Opinion and Order, 12 FCC Rcd 20,543, 20,574 n.113 (1997); *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from: MediaOne Group, Inc., Transferor, To AT&T Corp., Transferee*, Memorandum Opinion and Order, 15 FCC Rcd 9816, 9819-20, 9873 (2000).

the Anchorage market is for ACS to obtain forbearance from unbundling obligations.¹⁹⁴ Then ACS would have ample incentive to continue offering network elements to GCI and GCI would continue to have access to UNEs, if GCI negotiates reasonable terms with ACS.

In addition, ACS has the incentive to negotiate with GCI because, if GCI wins a customer from ACS, ACS would rather receive UNE revenue from the CLEC than lose all revenues associated with that customer to facilities-based competition. Wholesale rates will remain reasonable following deregulation because ACS has the incentive to keep GCI and other competitors on ACS's network at rates the market can support.¹⁹⁵ And GCI can always resell ACS's service at regulated rates, providing an effective cap on ACS's UNE rates.

Indeed, GCI agrees that this dynamic would encourage ACS to negotiate UNEs without being forced by regulatory obligations. According to GCI, ILECs in Alaska can "reduce the financial impact of market share losses by *voluntarily* entering into an agreement to provide GCI unbundled network elements, wholesale resale, and quality service at rates that are more favorable than GCI's cost of providing service over its own facilities."¹⁹⁶

¹⁹⁴ Shelanski Statement at ¶ 18 ("Mandatory unbundling, however, undermines voluntary bargaining and leads to comparatively lower competition than would result without unbundling. Under a UNE mandate, GCI can avail itself of ACS's facilities at regulated rates without offering anything in return. The effects of such unbundling under the circumstances of competitive parity that exist in Anchorage would be, at best, to hasten nominal competition to some customers while leaving those customers that ACS cannot reach to be served only by GCI. The result of unbundling in this context is less competition than would otherwise exist—GCI gets mandatory access to ACS customers, but ACS does not get equivalent access to customers reached only by GCI. This asymmetric outcome is counterproductive to consumer welfare and to the goals of the 1996 Act.").

¹⁹⁵ In its Triennial Review Remand Order, the Commission recognized that negotiated rates may be higher than TELRIC prices, but nonetheless they would be reasonable because they are rates which the market can support. In fact, for the transitional period, the Commission set UNE rates \$1 higher than the TELRIC rate. *Triennial Review Remand Order* at ¶¶ 199, 226-228.

¹⁹⁶ *In the Matter of Commission Review of the Rules and Regulations Governing Telecommunications Rates, Charges Between Competing Telecommunications Companies, and Competition in Telecommunications*, GCI's Reply Comments, RCA Docket No. R-03-03 at 7 (May 19, 2005).

As noted above, ACS already has demonstrated its willingness and ability to negotiate unbundling arrangements with GCI. In Juneau and Fairbanks, ACS and GCI entered into an agreement whereby ACS will provide GCI access to UNEs and UNE-P at negotiated rates, despite changes in the law that would have made it impossible for GCI to get these terms through regulatory proceedings.¹⁹⁷ Thus, it is economically rational to expect, and history supports the expectation, that GCI and ACS will negotiate market-based arrangements in the absence of regulations.

E. Section 251(c) Has Been Fully Implemented In Anchorage

Section 251(c)(3) has been fully implemented in Anchorage because, as required by the Triennial Review Remand Order, the pro-competitive aims of Section 251(c)(3) have been fulfilled in Anchorage. As described above, vibrant retail competition exists in Anchorage in all market segments, for residential and business customers. Additionally, no CLEC can be deemed “impaired” without access to UNEs in Anchorage. However, if the Commission determines that Section 251(c)(3) has not been fully implemented in the Anchorage study area, at a minimum it should find that Section 251(c)(3) has been fully implemented as to GCI. In that case, ACS should have no regulatory obligation to provide UNEs to GCI at TELRIC rates.

1. The Pro-Competitive Purpose of Section 251(c)(3) Has Been Fulfilled

ACS’s Anchorage study area is experiencing exactly the type of facilities-based competition that the FCC contemplated in adopting its unbundling rules. According to the D.C. Circuit, the purpose of the Act is to provide for neither the widest possible unbundling, nor the lowest prices for ILEC network elements, but to stimulate facilities-based competition; when competitors have access to necessary facilities at rates that allow competition to flourish,

¹⁹⁷ *Order Approving Interconnection Agreements and Closing Dockets*, RCA Docket Nos. U-03-63(5), U-03-64(5) (Aug. 16, 2004).

mandatory unbundling is no longer justified.¹⁹⁸ Indeed, in Anchorage, continuing to subject ACS to mandatory unbundling requirements would contravene the goals of the Act.

Section 251(c)(3) imposes unbundling obligations on ILECs to stimulate facilities-based competitive entry. In Anchorage, the aims of Section 251(c)(3) have been fully implemented. UNEs have been available in Anchorage since 1997. Today, there is robust facilities-based competition between two carriers with nearly equal market share and equal facilities access to residences and businesses in the market.¹⁹⁹ GCI provides its services substantially over its own facilities and is transitioning the entirety of its local exchange services customer bases to its cable plant or its own fiber optic cable facilities, which passes nearly every residence and business in ACS's Anchorage service area. GCI has announced that it will provide service completely independent of ACS's facilities within the next eighteen months and that accelerating the transition is merely a business decision.²⁰⁰ There are no barriers to entry for CLECs with or without the continued availability of UNEs.

Moreover, the presence of two comprehensive facilities-based wireline networks, multiple wireless networks, and additional fiber facilities throughout the Anchorage study area are sufficient to ensure vibrant retail competition in Anchorage in all market segments, for residential and business customers.²⁰¹ ACS has lost more than 50 percent of its access lines since the implementation of Section 251(c). Nearly all customers, business and residential, in Anchorage have a choice of facilities-based wireline carriers. Only customers served over GCI's exclusive facilities do not have a choice of wireline local exchange service providers. Indeed,

¹⁹⁸ *USTA II*, 359 F.3d at 576.

¹⁹⁹ See Blessing Statement at 4-5, 7.

²⁰⁰ GCI Q2 2004 Earnings Call Transcript at 11 (statement of Ron Duncan).

²⁰¹ See Blessing Statement at 13.

Anchorage--one of the most competitive local telecommunications markets in the country--is a prime example of a market where the aims of the Act have been achieved.²⁰²

2. **There Is No Impairment Without Access To UNEs in Anchorage**

The Supreme Court has made clear that unbundling under the 1996 Act is subject to “some limiting standard, rationally related to the goals of the Act.” and that it could not be left up to entrants to whether unbundling is necessary to prevent competitive impairment.²⁰³ The United States Court of Appeals later built on the Supreme Court’s ruling and held that the impairment standard for unbundling was a stringent one that requires proof of more than the normal costs and disadvantages of competitive entry.²⁰⁴ Based on these rulings, the Commission in its 2003 Triennial Review Order defined “impairment” as a condition in which competitive entry is “uneconomic” in the sense that the costs of entry exceed the potential revenues from entry.²⁰⁵

According to former FCC Chief Economist, Dr. Howard Shelanski, “[i]t is quite clear that for GCI, entry has been economic. The firm has aggressively and successfully pursued local exchange customers [and] . . . GCI’s substantial market share in local exchange services and its rapid transitioning of its customers entirely onto its own facilities demonstrates the economic viability and success of GCI’s entry.”²⁰⁶ Anchorage is a market that has facilities-based competition in every sector. Any impairment that GCI could try to conjure could not be

²⁰² See *id.* at 9-11.

²⁰³ *AT&T v. Iowa Utilities Bd.*, 525 U.S. 366, 388, 389 (1999).

²⁰⁴ *USTA v. FCC*, 290 F.3d 415, 427 (D.C. Cir. 2002).

²⁰⁵ *Triennial Review Order* at ¶ 84.

²⁰⁶ Shelanski Statement at ¶ 23.

economically significant or sufficient to offset the well-recognized costs of unbundling.²⁰⁷

Moreover, the Commission does not need to model a hypothetical, “reasonably efficient” entrant and predict its competitive prospects with and without UNEs, as clarified by the Triennial Review Remand Order, because there is nothing hypothetical about competition in Anchorage.²⁰⁸

The Commission has evidence that GCI, a real firm in a real market, the Anchorage study area, has been continuing to increase its market share while reducing its reliance on UNEs.²⁰⁹ Thus, mandatory unbundling cannot be justified under the Act’s “necessary” and “impair” standards and all CLECs in the Anchorage study area should be found unimpaired, not just GCI.

Requiring ACS to continue to provide UNEs at regulated rates to GCI would not serve the goals of the Act and would undermine the Commission’s stated goal of encouraging facilities investment for the reasons states above. As demonstrated above, perpetuating UNE access for an indefinite period would remove GCI’s incentive to further build out its telecommunications facilities or to continue its ongoing transition to cable telephony.

3. ACS Requests Forbearance With Respect to GCI As An Alternative Form of Relief

ACS believes that Section 251(c) has been fully implemented for the entirety of the Anchorage study area. The purpose of this petition is to allow both ACS and its competitors to compete on market-based terms. The best way to create balanced incentives is to grant the requested forbearance so no party has the obligation to provide UNEs under Section 251(c)(3). All providers will have the incentive to negotiate reasonable terms of access to their respective

²⁰⁷ *Id.* “As the courts have made clear, any assessment of unbundling must take into account both the costs and benefits of UNE access.” *Id.* at ¶ 19 (citing *USTA v. FCC*, 359 F.3d 554, 563 (D.C. Cir. 2004)).

²⁰⁸ *Id.* at ¶ 23.

²⁰⁹ *Id.* at ¶ 26. “The fact that a competitor using exclusively or primarily its own facilities has been so successful makes the case against impairment, and hence against unbundled access, an overwhelming one in the Anchorage Study Area.” *Id.* at ¶ 5.

networks. However, if the Commission cannot determine that the unbundling requirements have been fully implemented in the Anchorage market as a whole, at a minimum it should find that Section 251(c)(3) has been fully implemented with respect to GCI. If the Commission grants this alternative form of relief, ACS should be subject to the same incentives to offer network access as GCI, promoting voluntary negotiations between the two carriers.

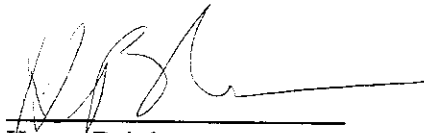
V. CONCLUSION

Based on the foregoing, ACS requests that the Commission forbear from the unbundling obligations of Section 251(c)(3) and the related pricing standard of Section 252(d)(1) of the Act as they apply to ACS's UNEs in the Anchorage study area. The statutory requirements for forbearance pursuant to Section 10 of the Act have been met and Section 251(c)(3) unbundling is unnecessary in the Anchorage study area. Competitive market forces in Anchorage will ensure that ACS's retail rates and practices are just, reasonable and nondiscriminatory, and that consumers will be protected without such regulation. Forbearance is in the public interest because market forces will promote more efficient incentives to invest in facilities for all carriers, thereby benefiting consumers with better services and lower rates. Additionally, Section 251(c)(3) has been fully implemented in the Anchorage market because the pro-competitive purpose of Section 251(c)(3) has been fulfilled in Anchorage and no CLEC in Anchorage would be "impaired" without access to ACS's UNEs.

ACS requests that the Commission compel GCI to produce information regarding its network to the extent the Commission determines that such information would be relevant to its determination of the level of competition in the Anchorage market. Further, ACS requests that if the Commission cannot find that Section 251(c)(3) has been fully implemented with respect to the entire Anchorage market, it should find that that section has been fully implemented with respect to GCI, and that GCI should be subject to the same unbundling obligations as ACS. ACS respectfully urges expedited consideration of this Petition in light of GCI's stated transition plans.

Respectfully submitted,

ACS OF ANCHORAGE, INC.



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September 30, 2005

EXHIBIT A

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)

Petition of ACS of Anchorage, Inc. Pursuant to)
Section 10 of the Communications Act of 1934, as)
amended, for Forbearance from Sections 251(c)(3))
and 252(d)(1) in the Anchorage LEC Study Area)

WC Docket No. _____

STATEMENT OF THOMAS R. MEADE

1. I am currently the Vice-President for Carrier Markets and Economic Analysis for Alaska Communications Systems, including ACS of Anchorage, Inc. ("ACS"). I have held this position since January 2004, where among other things I supervise the negotiation and implementation of carrier to carrier agreements. I was previously Vice-President for Revenue Requirements where my areas of responsibility included rate of return, competitive, and other financial and regulatory analysis. I have worked for ACS since 1999.
2. Familiarity with other carriers and competitors in the Anchorage market is required for me to fulfill the duties of my position at ACS. The purpose of this declaration is to demonstrate that there is substantial competition in the Anchorage local exchange carrier ("LEC") study area. ACS of Anchorage, Inc. faces significant facilities-based retail competition in the Anchorage LEC study area. Nearly all customers, business and residential, in Anchorage have a choice of facilities-based carriers.
3. The Anchorage LEC study area consists of Anchorage and a few small Turnagain Arm communities. General Communications, Inc. ("GCI") and AT&T Alascom offer

competitive service throughout the Anchorage study area. Further, the Anchorage study area is subject to uniform retail rates.

4. ACS faces significant competition in Anchorage from competitive LECs ("CLECs"), including GCI and AT&T Alascom. ACS has current interconnection agreements in Anchorage with AT&T Alascom, GCI, and TelAlaska. ACS also has current interconnection agreements with wireless providers ACS Wireless and Dobson Cellular. If ACS were to raise rates or restrict output, other facilities-based and resale competitors in the market have the ability and capacity to serve any customers seeking lower rates.
5. As of June 30, 2005, in the Anchorage LEC study area, ACS estimates that there were approximately 182,000 total access lines; of this amount, ACS had 88,000 retail access lines. ACS believes that approximately 57 percent of its lines serve business customers and approximately 43 percent of its lines serve residential customers. According to GCI, its local exchange customer base is about 60 percent residential.
6. GCI is ACS's largest competitor in Anchorage. GCI entered the local services market in Anchorage in 1997, and is the largest broadband provider in Alaska. GCI also is one of the two major long-distance carriers in the state (along with AT&T Alascom), and currently controls more than 40 percent of the long-distance market. GCI owns two of the three major undersea cables that link Alaska to the continental United States and has extensive fiber and satellite facilities throughout the state of Alaska.
7. GCI also owns a cable network that reaches 90 percent of all households in Alaska. GCI provides cable telephony over a circuit-switched network, using a class 5 switch.
8. From the date of entry of its competitors into the Anchorage market in 1997, ACS's retail market share has fallen from 100% to less than 50% today. Over the last five years, ACS

has had an average annual line loss rate of approximately 8 percent per year. The Wireline Competition Bureau's calculation of overall ILEC market share loss through June 2004 was 17.8%. ACS lost approximately 52% of its market share during the same time period.

9. By ACS's estimates for June 2005, competitors in Anchorage provide service through the following means: approximately 11,000 lines are provisioned via resale under Section 251(c)(4), 51,000 are provisioned using UNE loops, and 32,000 are provisioned entirely over a competitor's facilities or multiplexed by a competitor over ACS UNE loops. GCI is the only CLEC that orders UNE loops from ACS.
10. By ACS's estimates, GCI serves approximately 49 percent of the local exchange market in the Anchorage study area today.
11. GCI has demonstrated its ability to accommodate any customer who wishes to switch local service from ACS to GCI. In fact GCI has been able to transition as many as 525 customers from ACS to GCI in a single day.
12. ACS has estimated the number of GCI's retail lines in Anchorage based on Carrier and Area Specific Bulk Bill ("CASBB") data reported by GCI to the RCA for intrastate access purposes. The CASBB report provides the total number of facilities-based lines served by GCI in Anchorage. Of these lines, ACS knows the number of UNE loops used by GCI, and subtracts this number from the total number of lines GCI reports to the RCA, in order to calculate the total lines that GCI provisions on its own facilities or derives by multiplexing ACS UNE loops. Multiplexing may allow GCI to report to the RCA multiple GCI lines that are served over a lower number of ACS UNE loops, however, ACS has no way to estimate the quantity of such lines.

13. GCI has publicly represented that as of the end of the second quarter of 2005, it has moved about 12,800 lines off of UNEs and on to its cable telephony platform. GCI further represented that by the end of 2005, it will be serving approximately 25,000 lines over its cable telephony platform.
14. As of June 2005 in Anchorage, ACS estimates that GCI was serving approximately 89,000 lines out of 182,000 lines in Anchorage, which includes approximately 51,000 UNE loop lines (leased from ACS), and 6,000 wholesale access lines. ACS estimates that GCI also serves an additional 32,000 lines over its own fiber, cable facilities, and multiplexing of ACS loops. ACS estimates that GCI served approximately 19,000 lines entirely over its own facilities, or by multiplexing ACS loops, even before GCI deployed its cable telephony service.
15. GCI primarily relies on its own switches and transport and, to my knowledge, has never ordered a switching UNE from ACS. As of June 2005, GCI's use of UNE loops has decreased by 17 percent since January 2004 while their retail market share has increased. In January 2004, ACS estimated that GCI served 62,000 lines over ACS's UNE loops, 7,000 via resale, and 19,000 entirely over its own facilities or by multiplexing ACS loops. ACS of June 2005, GCI served approximately 51,000 lines over ACS's UNE loops, 6,000 via resale, and 32,000 over its own facilities or by multiplexing ACS loops. GCI has forecast that it can move approximately 6,000 lines per quarter off ACS's loops to its own plant.
16. ACS has incentives to negotiate with GCI for access to ACS's UNEs at market-based rates in Anchorage in order to maintain the revenue stream ACS currently has from leasing its network. In April 2004, GCI and ACS successfully negotiated new UNE rates

and an interconnection agreement for the Fairbanks and Juneau markets. In addition, ACS would like to negotiate for reciprocal rights on GCI's network.

Respectfully submitted,



Thomas R. Meade
Vice-President Carrier Markets and Economic
Analysis
600 Telephone Ave., MS 08
Anchorage, Alaska 99503



B

EXHIBIT B

ACS Petition for Forbearance
Bowman Statement

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)

Petition of ACS of Anchorage, Inc. Pursuant to)
Section 10 of the Communications Act of 1934, as)
amended, for Forbearance from Sections 251(c)(3))
and 252(d)(1) in the Anchorage LEC Study Area)

WC Docket No. _____

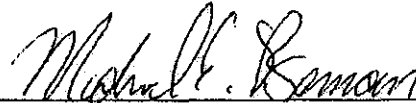
STATEMENT OF MICHAEL BOWMAN

1. I am currently the Vice-President for Customer Provisioning, Support and Network Monitoring for Alaska Communications Systems Holdings, Inc., including ACS of Anchorage, Inc. ("ACS"). I have held this position since January 2005. I have worked in Network Operations and engineering for ACS or its predecessor company, ATU, for 31 years. I was previously Vice-President for Operations.
2. I am familiar with the ACS network, the use of this network by competitors, and to some extent, the existence of other carrier networks in the Anchorage market. The purpose of this declaration is to set forth certain facts concerning the ACS network and what ACS knows about the networks of other carriers in Anchorage.
3. The Anchorage LEC study area consists of the Anchorage exchange area and four other smaller exchanges. ACS serves the Anchorage study area through DMS 100 switches located in five central offices. In some cases, the DMS 100's are host switches for remotes located elsewhere in the study area.
4. GCI has collocated its facilities at each of our five central offices and two of the remotes in Anchorage.

ACS Petition for Forbearance
Bowman Statement

5. GCI has historically relied on ACS loops using its own switch. To my knowledge, GCI has never leased UNE switching from ACS.
6. In 2002 GCI stated that it served 22 buildings in Anchorage from its fiber ring. Since GCI made this statement, ACS is aware of several new office buildings that GCI serves using its fiber facilities.
7. I believe GCI serves some of its Anchorage customers over exclusive GCI facilities, including fiber to the premises and cable telephony.
8. GCI provides facilities to some homes and businesses in Anchorage where no ACS facilities exist. I know of several subdivisions on Elmendorf Air Force Base and at least two commercial office buildings in Anchorage which are served exclusively by GCI.
9. To my knowledge, GCI has never provisioned its exclusive facilities to ACS and contends it is under no obligation to provision access to these facilities.
10. All ACS retail access lines are DS-1, DS-0 or mass market copper loops.
11. GCI owns two of the three major undersea cables that link Alaska to the continental United States and has extensive fiber facilities throughout the state of Alaska.
12. GCI provides cable telephony over a circuit-switched network, using a class 5 switch, unlike typical Internet-based cable telephony. In essence, GCI's cable telephony platform duplicates ACS's wireline network.

Respectfully submitted,



Michael Bowman
Vice-President Customer Provisioning,
Support and Network Monitoring
600 Telephone Avenue MS 7
Anchorage, Alaska 99503



C

EXHIBIT C

RCA NO. 120

ORIGINAL

Sheet No.

6.4

Cancelling:

Sheet No.

RCA APPROVED

ACS OF ANCHORAGE, INC.

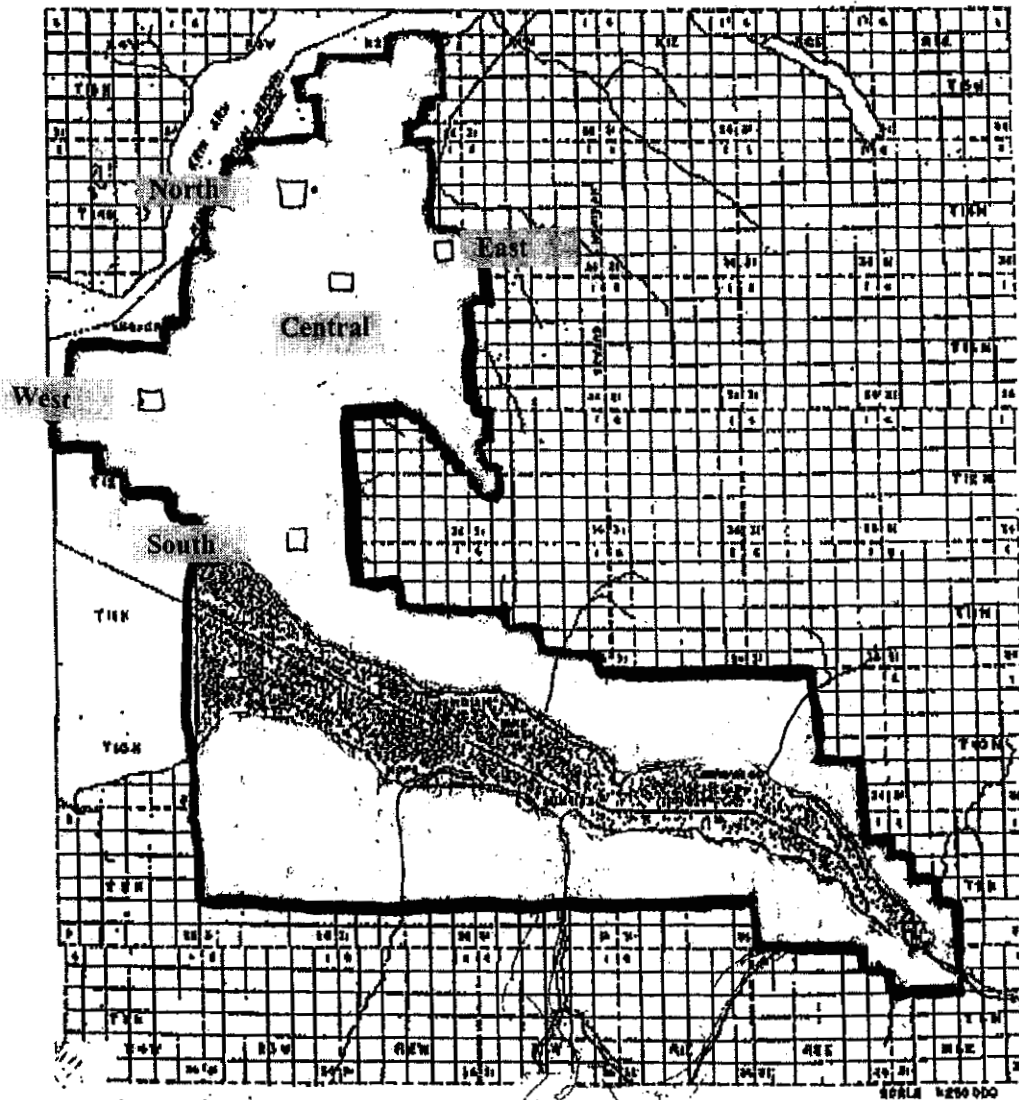
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CERTIFICATED SERVING AREA

6.2

MAPS

**MUNICIPALITY OF ANCHORAGE
TELEPHONE UTILITY**



Tariff Advice 418-120

Effective

April 19, 2001

Issued By: ACS OF ANCHORAGE, INC.

By: _____
Ted Moninski

Title: Director, Regulatory Affairs